

- **Inflation Rate 2.3% in April**
- **BC Work Absences 9.4 Days on Average in 2002**
- **Federal Budget Surplus \$10.4 Billion for 2002/03**

### Prices

• **BC's Consumer Price Index (CPI) was up 2.3% in April compared to the same month last year.** This is down from a 12-month increase of 3.4% posted in March. The decline in the inflation rate was primarily due to energy prices, which rose 8.3% after posting double-digit gains earlier in the year. Excluding the cost of energy, the overall price level was up 1.9%, compared to a 2.3% increase recorded in March. Year-over-year price increases for food (+1.0%), household operations (+0.2%), transportation (+4.2%) and health care (+0.5%) were all well below March levels. Lower price increases for gasoline, bus and intercity transportation in April helped moderate the upward movement in the transportation components of the CPI.

Fuel oil prices showed the largest 12-month increase (+26.1%), followed by tuition fees (+21.1%) and cigarettes (+18.7%). Victoria (+2.4%) and Vancouver (+2.2%) had basically the same inflation rates as the province as a whole.

*Source: Statistics Canada*

• **Nationally inflation was slightly higher (3.0%) than in BC (2.3%).** Rates were highest in Alberta (5.9%), with Edmonton in particular showing large price increases (7.4%). Neighbouring Saskatchewan recorded the lowest inflation in the country (2.1%).

*Source: Statistics Canada*

• **Victoria and Vancouver had some of the highest gas prices in the country in April.** Self-serve premium gas was 95 cents a litre in Victoria, well above the price in Ottawa (78 cents). The price of premium gas was 5 cents a litre cheaper in Vancouver, which had the second highest price (outside of the terri-

ties). Self-serve regular gas was 84 cents a litre in Victoria matched with St. John's for the highest price in the country. The price was more than 15 cents a litre cheaper in Calgary (67 cents) and Ottawa (68 cents).

*Source: SC, Catalogue no. 62-001-XPB*

### The Economy

• **Retail sales in BC were down 2.9% in March, the largest decline seen among the provinces (seasonally adjusted).** Saskatchewan had the strongest retail performance, with sales up 1.3%. For Canada as a whole, sales edged down 0.7%.

*Source: Statistics Canada*

### Tourism

• **The number of visitors entering Canada via BC border crossings declined 8.2% in March (seasonally adjusted), the steepest fall seen since September 2001.** This was due to fewer travellers from both the US (-8.8%) and overseas (-5.2%). Australia and the South Pacific region showed the most notable decline in overseas visitors to BC (-16.8%), followed by Europe (-9.7%) and Asia (-3.4%). March was the third straight month of declining visitor entries.

*Source: BC Stats and Statistics Canada*

### Work Absences

• **Work absences in BC averaged 9.4 days per worker in 2002 (among full-time paid employees), slightly above the national average of 9.0 days per worker.** Absences were more frequent in Victoria (10.4 days per worker) than in Vancouver (8.2 days). Nationally, absences are more common in large, unionised firms, and among permanent-rather than temporaryworkers. Time away from work is higher among women (10.4 days) than men (7.9 days) and among those with children (9.5) than those without (8.5).

*Source: SC, Catalogue no. 75-001-XIE*

**Did you know...**  
**BC produced over 2 million turkeys in 2002.**

### The Nation

- Employee non-wage benefits—such as insurance, profit sharing, and retirement packages—account for 36% of payroll costs in Canada. This is a substantial increase since the 1950s, when such benefits amounted to only 15% of payrolls. However, non-wage benefits are concentrated among those already earning high incomes. High-wage workers (\$20+ an hour) are far more likely than low earners (less than \$10 an hour) to receive extended insurance (77% vs. 13%), retirement benefits (74% vs. 12%), stock options (17% vs. 3%) or profit sharing (12% vs 3%). Non-wage benefits were also more common among full-time rather than part-time employees, and at large rather than small companies. *Source: SC, Catalogue no. 75-001-XIE*

- Social supports of marriage and community involvement reduce the risk of death among seniors, although mostly for men. Both men and women benefit from participation in community organizations. The benefits of marriage, after statistically controlling for other influences such as age and health status, significantly lowered the probability of death for senior men. The mortality rate of married women, however, was actually slightly higher than that of single women, but the finding was not statistically significant. *Source: SC, Catalogue no. 82-003-XIE*

### Federal Government Finance

- The federal government budget surplus was \$10.4 billion for the fiscal year 2002/03, down from the \$14.7 billion surplus posted in 2001/02. Federal revenues, at \$173.5 billion, were almost unchanged from last year (-0.4%). The declining surplus resulted from a combination of increased program spending and falling interest payments. Program spending was up \$6.5 billion (5.3%) to \$127.9 billion. Debt servicing charges, \$35.2 billion, were down \$2.8 billion (7.5%) from last year. Note that these are not "final" figures. End-of-year-adjustments will be released in Fall 2003. *Source: Federal Department of Finance data*

- There were notable changes in the composition of federal revenues. There was a shift away from the more "progressive" income taxes towards "flatter" consumption and excise taxes. Personal income tax revenues were down \$2.2 billion (-2.7%). Receipts from the corporation income tax were down \$3.3 billion (-13.5%). GST receipts, in contrast, were \$3 billion (+12%) higher. Other excise taxes and duties rose by \$1.4 billion (+12%).

*Source: Federal Department of Finance data*

- Increases in federal spending were widely distributed across departments and programs. The main targets were the Canada Health and Social Transfer (+\$1.3 billion/+7.5%), elderly benefits (+\$1 billion/+3.9%), EI payments (+\$0.7 billion/+5.4%), and farmer's subsidies (+0.6 billion/+74.6%). Defense expenditures, at \$10 billion, were unchanged from the previous year (+0.2%). Human Resources Development was the only area to face significant budget cuts, losing about \$0.3 billion (-15.2%).

*Source: Federal Department of Finance data*

### Prices in the US and Canada

- Prices of Canadian goods and services fell substantially relative to identical US goods and services between 1990 and 1999. In 1990, Canadian products were 10% more expensive than American ones (expressed in the same currency). By 1999, products in Canada were 11% cheaper than in the US. Opportunities to arbitragebuy in one country and sell in anotherwere a big factor in price differentials. Non-tradable productsservices and goods that are difficult to move across borders - were 20% cheaper in Canada than in the US. Easily tradable items remained closer to the US priceonly 7% cheaper.

*Source: SC, Catalogue no. 11-010-XPB*

*Infoline Issue: 03-21*

*May 23, 2003*

Author: Anne Kittredge, (250) 387-0377

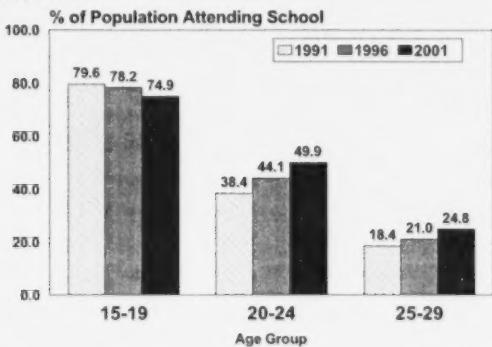
Originally published in *Earnings and Employment Trends*, Issue 03-03. Annual subscription \$60 + GST

## Are Youth Staying at School Longer?

The Census of Canada asks the respondent: "In the past nine months (that is, since last September), was this person attending a school, college or university?"

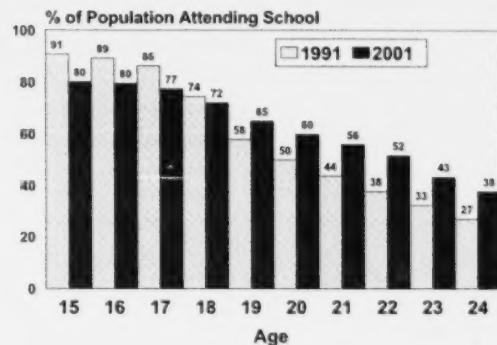
Since 1991, the proportion of the 20-24 year old BC population attending school has risen dramatically from 38 to 50 per cent. This large increase shows a continuation of the trend seen through the '80s—in 1981, only 28 per cent of 20-24 year olds were attending school. All age groups older than 20 to 24 have shown increases in participation in education, but none as dramatic as the 20-24 year olds.

*In recent years, teenagers have been less inclined to stay in school than they were 10 years ago. However, youth in their twenties have gone the other way and have increased their school attendance over the 90's..*



However, the story is different for the 15-19 year olds. It appears as though the 15, 16 and 17 year olds have significantly decreased their attendance at school. Eighty per cent of 15 and 16 year olds were in school sometime between September 2000 and May, 2001, which means that one in five of them were not in school at any time in the 2000/2001 school year.

*Among the 15-18 year olds, the age when one would usually be working towards a high school certificate, the school participation has declined over the decade.*

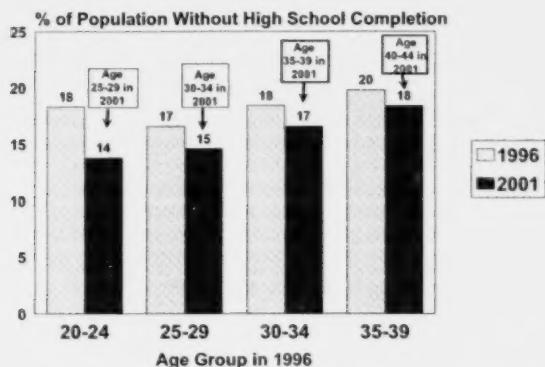


Is this significant decline in the 15-18 year olds' participation in school alarming? In reality, the school participation by high school age students fluctuates over time, often driven by job opportunities in the local economy—the more jobs available, the more likely they will drop-out, at least for a while.

However, an increase in job opportunities did not seem to apply between 1991 and 2001. In fact, the job market was worse in 2001—the unemployment rate among the 15-19 year olds was actually higher by 3 percentage points than in 1991 (18% vs 15%). Under such circumstances, one would expect a higher school participation in 2001 over 1991.

It could just be that youth of today are postponing their high school education in their teenage years but will return to school in their twenties to catch up. There is certainly evidence that this does occur.

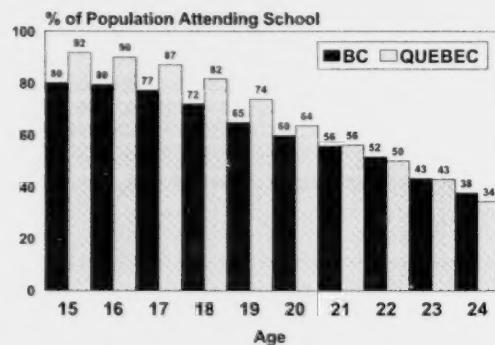
The proportion of the population without high school completion decreases among the same age cohort, 5 years later.



For example, in 1996, 18 per cent of those age 20-24 had not completed their high school and five years later, in 2001, among the same group (they are now age 25-29), only 14 per cent had not completed high school. In other words, 4 per cent of the 2001 population between the ages of 25-29 had managed to get their high school completion in the previous five years<sup>1</sup>. If the pattern seen in the chart above of non-high school grads returning to complete their high school in their thirties, we can expect that among those aged 20-24 in 2001, less than 10 per cent will not have completed their high school by the time they are 40.

How does BC's school attendance compare to the other provinces?

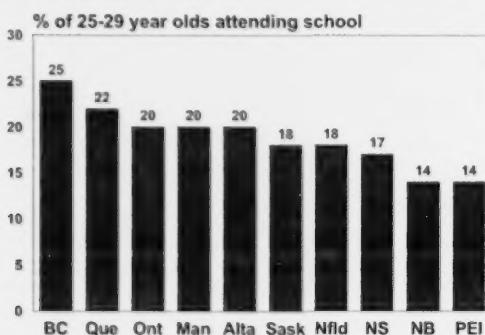
In 2001, Quebec's teenagers stand out as having the highest school attendance record in the country.



Quebec's school attendance far exceeds BC's in the teenage years but then their rates are similar among the 21-24 year olds. On the other hand, Ontario and BC's profile is very similar up until the age of 17 and then BC's youth fall behind for the next 5 years. The province that is surprising is Alberta. Their school attendance among 15-24 year olds was one of the lowest in the country in 2001.

Where BC makes up ground in school attendance is among the 25-29 year olds. Their school participation rate far exceeds all other provinces.

Where BC stands out is that so many of the post-youth population continue to attend school. One in four of BC's 25-29 year olds, was in school in 2000/2001



<sup>1</sup> These figures assume no difference in the education profile of the in/out migrants and the resident population.

# Infoline

May 23, 2003



Fax transmission information service from **BC STATS**



Email transmission information service from **BC STATS**

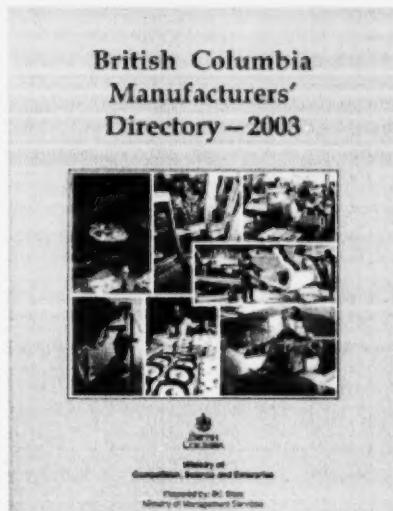


also on the Internet at [www.bcstats.gov.bc.ca](http://www.bcstats.gov.bc.ca)

## BC at a glance . . .

<b>POPULATION (thousands)</b>		Jan 1/03	% change on one year ago
BC	4,155.8		0.8
<b>GDP and INCOME</b>		2002 Prelim.	% change on one year ago
(BC - at market prices)			
Gross Domestic Product (GDP) (\$ millions)	134,365		2.7
GDP (\$ 1997 millions)	126,141		1.8
GDP (\$ 1997 per Capita)	30,459		0.8
Personal Disposable Income (\$ 1997 per Capita)	19,445		-0.2
<b>TRADE (\$ millions, seasonally adjusted)</b>		Apr '03	% change on prev. month
Manufacturing Shipments - Mar	2,814		-0.4
Merchandise Exports - Mar	2,617		0.5
Retail Sales - Mar	3,373		-2.9
<b>CONSUMER PRICE INDEX</b>		Apr '03	12-month avg % change
(all items - 1992=100)			
BC	120.4		2.6
Canada	121.9		3.1
<b>LABOUR FORCE (thousands)</b>		Apr '03	% change on prev. month
(seasonally adjusted)			
Labour Force - BC	2,190		0.1
Employed - BC	2,012		-0.4
Unemployed - BC	177		5.5
Unemployment Rate - BC (percent)	8.1		Mar '03
Unemployment Rate - Canada (percent)	7.5		7.7
<b>INTEREST RATES (percent)</b>		May 21/03	May 22/02
Prime Business Rate	5.00		4.00
Conventional Mortgages - 1 year	5.35		5.55
- 5 year	6.30		7.40
<b>US/CANADA EXCHANGE RATE</b>		May 21/03	May 22/02
(avg. noon spot rate) Cdn \$	1.3495		1.5360
US \$ (reciprocal of the closing rate)	0.7402		0.6520
<b>AVERAGE WEEKLY WAGE RATE</b>		Apr '03	% change on one year ago
(industrial aggregate - dollars)			
BC	680.37		1.8
Canada	659.75		1.4
<b>SOURCES:</b>			
Population, Gross Domestic Product, Trade,	Statistics Canada		
Prices, Labour Force, Wage Rate			
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics			
For latest Weekly Financial Statistics see <a href="http://www.bankofcanada.ca">www.bankofcanada.ca</a>			

## 2003 Manufacturers' Directory



600 pages

Sources, leads, opportunity – whatever you make of it – the 2003 Directory is packed full of current information on almost 5,000 firms operating in BC.

\$45 plus taxes. Order now. For mail-merge or fax-merge there is a file in CSV format at \$350 plus taxes.

Tel: (250) 387-0359

FAX: (250) 387-0380

On-line at [www.made-in-bc.ca](http://www.made-in-bc.ca)

### Released this week by BC STATS

- Consumer Price Index, April 2003

### Next week

- Business Indicators, May 2003
- Current Statistics, May 2003

